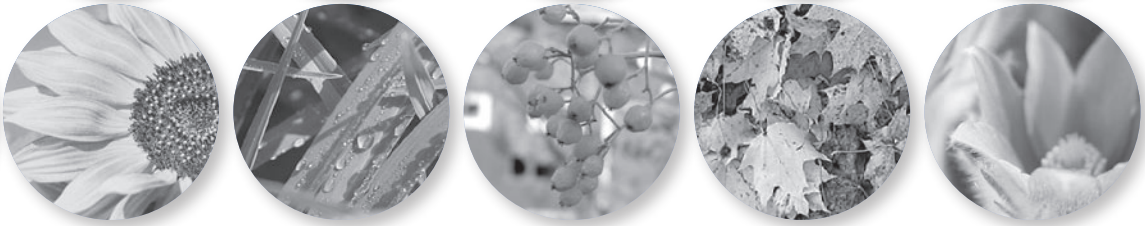
2007-2008 Flexible Benefits Plan Program



Commonwealth of Virginia

Flexible Benefits Program Sourcebook for Active State Employees
Administered by the Department of Human Resources Management

Employee Benefits Resource Directory

Employer/Plan Administrator

Commonwealth of Virginia
Department of Human Resource Management (DHRM)
Office of Health Benefits (OHB)
www.dhrm.virginia.gov/compandbenefits.html

Claims Processing Information

Fringe Benefits Management Company
FBMC Customer Service
Mon - Fri, 7 a.m. - 10 p.m. ET
1-800-342-8017
Toll-free fax: 1-888-800-5217

Flexible Reimbursement Accounts
Automated Services
24 hours a day
1-800-865-FBMC (3262)
www.myFBMC.com

EZ REIMBURSE® MasterCard® Card
Lost or Stolen Card
24 hours a day
1-800-689-0821

Activation Line
24 hours a day
1-866-300-7624

Dispute Line
FBMC Customer Service
Mon - Fri, 7 a.m. - 10 p.m. ET
1-800-342-8017

Important Dates to Remember

Your Open Enrollment dates are:
April 16, 2007, through May 16, 2007.

Your Plan Year dates are:
July 1, 2007, through June 30, 2008.

Last Date to File for Reimbursement
September 30, 2008

Table of Contents

Flexible Benefits Program

What's new?

- You may now choose to receive the EZ REIMBURSE® MasterCard® Card to supplement your Medical FRA. The EZ REIMBURSE® Card is a convenient Medical FRA reimbursement option which allows FBMC to electronically approve and deduct funds from your Medical FRA for your eligible medical expenses.
  You may use it like any other credit card by simply swiping it at your health care provider or at your drugstore, and the amount of your eligible expenses will be automatically deducted from your Medical FRA. For more information, please refer to either the EZ REIMBURSE® MasterCard® Card section beginning on Page 9 of this sourcebook or the card brochure available from you agency benefits administrator during Open Enrollment.
- A new toll-free fax number (888-800-5217) is available for claim submission.

The Commonwealth of Virginia's Flexible Benefits Program components are Premium Conversion and Flexible Reimbursement Accounts.

- Premium Conversion allows you to receive a pre-tax benefit for your payroll-deducted contribution to your health benefits' premium. All participants enrolled in a state health benefits plan are automatically enrolled for Premium Conversion.
- FRAs allow you to set aside part of your salary each pay period on a pre-tax basis for one or both of the following accounts:
  - Medical FRA– provides reimbursement for eligible out-of-pocket medical, dental and vision care expenses not covered by your health benefits plan and
  - Dependent Care FRA– provides reimbursement for eligible expenses for the care of your child, disabled spouse, elderly parent or other dependent incapable of self-care.

Because of the tax advantages the Flexible Benefits Program provides, there are tax laws and Internal Revenue Service regulations governing how the program operates. For more detailed information or clarification, see your agency's Benefits Administrator or visit the DHRM Web site at: **www.dhrm.virginia.gov**.

Your FRA Plan Year Enrollment

Open Enrollment for FRAs is held in conjunction with Open Enrollment for health benefits to be effective July 1.

Important Information

1. To enroll in a Reimbursement Account, visit EmployeeDirect or contact your agency's Benefits Administrator. Visit the DHRM Web site at: **www.dhrm.virginia.gov** for more information.
2. Enrollment in your FRAs must be done each plan year, even if your total contribution for the new plan year remains the same.
3. Employees who enroll through EmployeeDirect will receive a confirmation advising them that the request has been successfully processed. Employees should review their election profile for accuracy.
4. You will receive a confirmation letter for your FRA election(s) from Fringe Benefits Management Company (FBMC). Please review the letter to verify the type and amount of the election(s). If you discover an error, you must notify your agency's Benefits Administrator immediately.
5. If you have questions about FRAs, call FBMC Customer Service at 1-800-342-8017, Monday - Friday, 7 a.m. to 10 p.m. ET, 1-800-955-8771 (TDD). You may also visit FBMC's Web site at **www.myFBMC.com**.

Medical FRA:

Minimum: $10 per pay period
Maximum for the plan year: $5,000

Dependent Care FRA:

Minimum: $10 per pay period
Maximum for the plan year: $5,000

The annual maximum contribution for a Dependent Care FRA depends on your tax filing status. Participants should review the information on Page 10 of this Flexible Benefits Plan Sourcebook regarding the IRS calendar year limits on the Dependent Care FRA.

IRS Calendar Year Limit for Dependent Care FRAs

The maximum amount you can set aside each year in a Dependent Care FRA is determined by the Internal Revenue Service (IRS) and based on:

- a calendar year (January through December) for tax purposes and
- your tax filing status.

If you enrolled in a Dependent Care FRA during 2007 and then decide to enroll next spring in a Dependent Care FRA for the July 2008 – June 2009 Plan Year, carefully evaluate your elections to ensure they remain within the IRS limits. You cannot exceed the calendar year maximum established by the IRS for a Dependent Care FRA. For more information on IRS limits, see this Flexible Benefits Plan Sourcebook or visit the Flexible Benefits Program link on the DHRM Web site (see Page 10 of this Flexible Benefits Sourcebook for Dependent Care FRA maximums).

Mid-year changes to your election are not allowed unless you experience a qualifying event as outlined in this Flexible Benefits Sourcebook. Any amount over your allowable dependent care maximum will be subject to all applicable taxes.

Flexible Benefits Program
Continued

"Use It or Lose It"
Be conservative when estimating your medical and/or dependent care expenses for the plan year. IRS regulations state that any unused funds which remain in a FRA after your plan year and run-out period ends, and all reimbursable requests have been submitted and processed, cannot be returned to you nor carried forward to the next plan year.

Plan Year Closeout
You have a three-month run-out period (until September 30, 2008) at the end of the plan year for reimbursement of eligible FRA expenses incurred during your period of coverage within the 2007-2008 Plan Year.

Information on Your FRA Benefits
Information regarding your FRAs is right at your fingertips! You may either:

- visit the FBMC Web site at **www.myFBMC.com** to check your account status, review frequently asked questions, download forms or complete a tax savings analysis to see if you would benefit by enrolling in a reimbursement account or
- call the Interactive Benefits Information line at 1-800-865-FBMC (3262) to review your FRA benefit information and request claim forms.

To access your personal account information, you will need your Social Security number and Personal Identification Number (PIN). (See Page 13 of this Flexible Benefits Plan Sourcebook for more details).

Enrollment Requests
To enroll in or make a change to a Medical or Dependent Care FRA, you must submit an enrollment request within the specified time period. For Open Enrollment, the request must be received by the end of the Open Enrollment period for the plan year. If you are making an allowable change as a result of a qualifying mid-year event, you must submit the request within 31 days of the event (See the Changing Your Coverage section of this Flexible Benefits Plan Sourcebook).

The enrollment request can be submitted in one of the following ways:

- **Use EmployeeDirect** on the Web. Visit the DHRM Web site at **www.dhrm.virginia.gov**, and click on the EmployeeDirect link. Then, follow the online instructions.
- **Complete an FRA Election Form or the FRA section on the Health Benefits Enrollment Form for Active Employees and submit it to your Benefits Administrator.** You may find the forms on the Department of Human Resource Management (DHRM) Web site at **www.dhrm.virginia.gov** under the "Compensation and Benefits" link. They are also available from your agency Benefits Administrator.

FRA Eligibility
All employees who are eligible to participate in the State Health Benefits Program are eligible to participate in Medical and Dependent Care FRAs. The initial election period is within 31 days following the date of eligible employment. (If you do not enroll during your election period, you must wait until the next Open Enrollment or until you experience an event that permits a mid-year election change under your plan.)

Appeal Process
If you have an FRA reimbursement claim or other similar request denied, in full or in part, you have the right to appeal the decision by sending a written request within 30 days of the denial for review to:

FBMC (Attn: Appeals Process)
P. O. Box 1878
Tallahassee, FL, 32302-1878

Your appeal must include:

- the name of your employer
- the date of the services for which your request was denied
- a copy of the denied request
- the denial letter you received
- why you think your request should not have been denied and
- any additional documents, information or comments you think may have a bearing on your appeal.

Your appeal will be reviewed upon receipt of it and the supporting documentation. You will be notified of the results of this review within 30 business days from receipt of your appeal. In unusual cases, such as when appeals require additional documentation, the review may take longer than 30 business days. If your appeal is approved, additional processing time is required to modify your benefit elections.

Note: Appeals are considered only if the extenuating circumstances and supporting documentation are within your employer's, claim administrator's and IRS regulations governing the plan.

Flexible Reimbursement Accounts

What is a Flexible Reimbursement Account?

Fringe Benefits Management Company (FBMC) provides IRS tax-favored Flexible Reimbursement Accounts (FRAs) to stretch your medical expense and dependent care dollars.

Flexible Reimbursement Accounts feature:

- IRS-approved reimbursement of eligible expenses tax-free
- per-pay-period deposits from your pre-tax salary
- savings on income and Social Security taxes and
- security of paying anticipated expenses with your FRA.

Is an FRA right for me?

If you spend $10 or more per pay period on recurring eligible expenses during your plan year, you may save money by paying for them with an FRA. A portion of your salary is deposited into your FRA each pay period.

- You decide the amount you want deposited.
- You are reimbursed for eligible expenses before income and Social Security taxes are deducted.
- You save income and Social Security taxes each time you receive wages.
- Determine your potential savings with a Tax Savings Analysis by visiting the "Tax Calculators" link at **www.myFBMC.com**.

What types of FRAs are available?

Your employer offers you a Medical FRA as well as a Dependent Care FRA. If you incur both types of expenses during a plan year, you can establish both types of FRAs.

Medical FRAs

Medical expenses not covered by your insurance plan may be eligible for reimbursement using your Medical FRA, including:

- eyeglasses
- orthodontia and
- certain Over-the-Counter items.

Dependent Care FRAs

Dependent care expenses, whether for a child or an elder, include any expense that allows you to work, such as:

- daycare services
- in-home care
- nursery and preschool and
- summer day camps.

Refer to the Medical FRA and Dependent Care FRA sections of this sourcebook for specifics on each type of FRA.

Receiving Reimbursement

Your reimbursement will be processed within five business days from the time FBMC receives your properly completed and signed FRA Reimbursement Request Form. To avoid delays, follow the instructions for submitting your requests located in the FRA materials you will receive following enrollment.

Direct Deposit

Enroll in Direct Deposit to expedite the time of your reimbursement.

- FRA reimbursement funds are automatically deposited into your checking or savings account.
- There is no fee for this service.
- You don't have to wait for postal service delivery of your reimbursement (however, you will receive notification that the claim has been processed).

To apply, complete the Direct Deposit Enrollment Form provided in your confirmation kit, visit **www.myFBMC.com** or call FBMC Customer Service at 1-800-342-8017. Please note that processing your Direct Deposit enrollment may take between four and six weeks.

Where can I get information about FRAs?

If you have specific questions about FRAs, contact FBMC Customer Service.

- Visit **www.myFBMC.com**.
- Call **1-800-342-8017** (Monday - Friday, 7 a.m.-10 p.m. ET).

Please note that due to FBMC's Privacy Policy, we will not discuss your account information with others without your verbal or written authorization.

FSA Savings Example*

(With FRA)		*(Without FRA)*
$31,000	Annual Gross Income	$31,000
- 5,000	FRA Deposit for Recurring Expenses	- 0
$26,000	Taxable Gross Income	$31,000
- 5,889	Federal, Social Security Taxes	-7,021
$20,111	Annual Net Income	$23,979
- 0	Cost of Recurring Expenses	-5,000
$20,111	Spendable Income	$18,979

By using an FRA to pay for anticipated recurring expenses, you convert the money you save in taxes to additional spendable income. That's a potential annual savings of

$1,132!

* Based upon a 22.65% tax rate (15% federal and 7.65% Social Security) calculated on a calendar year. Actual results may vary.

Flexible Reimbursement Accounts
Continued

FRA Guidelines:

1. The IRS does not allow you to pay your medical or other insurance premiums through either type of FRA.
2. You cannot transfer money between FRAs or pay a dependent care expense from your Medical FRA or vice versa.
3. You have a 90-day run-out period (until September 30, 2008) at the end of the plan year for reimbursement of eligible FRA expenses incurred during your period of coverage within the 2007-2008 Plan Year.
4. You may not receive insurance benefits or any other compensation for expenses which are reimbursed through your FRAs.
5. You cannot deduct reimbursed expenses for income tax purposes.
6. You may not be reimbursed for a service which you have not yet received.
7. Be conservative when estimating your medical and/or dependent care expenses for the 2007-2008 Plan Year. IRS regulations state that any unused funds which remain in your FRA after a plan year, and all reimbursable requests have been submitted and processed, cannot be returned to you nor carried forward to the next plan year.
8. When enrolling in either or both FRAs, written notice of agreement with the following will be required.
   - I will only use my FRA to pay for IRS-qualified expenses eligible under my employer's plan, and only for me and my IRS-eligible dependents
   - I will exhaust all other sources of reimbursement, including those provided under my employer's plan(s) before seeking reimbursement from my FRA
   - I will not seek reimbursement through any additional source and
   - I will collect and maintain sufficient documentation to validate the foregoing.

What documentation of expenses do I need to keep?

The IRS requires FRA participants to maintain complete documentation, including keeping copies of statements, invoices or bills for reimbursed expenses, for a minimum of one year.

How do I get the forms I need?

To obtain forms you will need after enrolling in either a Medical or Dependent Care FRA, such as an FRA Reimbursement Request Form, EZ REIMBURSE® Card Transmittal Sheet, Letter of Medical Need or Direct Deposit Form, you can visit FBMC's Web site, **www.myFBMC.com**, or call FBMC Customer Service at 1-800-342-8017. For more information, refer to the Getting Answers section of this sourcebook.

Will contributions affect my income taxes?

Salary reductions made under a cafeteria plan, including contributions to one or both FRAs, will lower your taxable income and taxes. These reductions are one of the money-saving aspects of starting an FRA. Depending on the state, additional state income tax savings or credits may also be available. Your salary reductions will reduce earned income for purposes of the federal Earned Income Tax Credit (EITC).

Please note that contributions may also reduce the amount of money that you and your employer contribute to Social Security on your account, and may ultimately reduce the amount of your SSA benefit.

To help you choose between the available taxable and tax-free benefits, or a combination of both, consult your tax advisor and/or the IRS for additional information.

Medical FRA

Minimum Election: **$10 per pay period**
Maximum Election: **$5,000 annually**

What is a Medical FRA?

A Medical FRA is an IRS tax-favored account you can use to pay for your eligible medical expenses not covered by your insurance or any other plan. These funds are set aside from your salary before taxes are deducted, allowing you to pay your eligible expenses tax-free. A partial list of these eligible expenses can be found on the next page. If you have questions regarding the eligibility of an expense, please contact FBMC at **www.myFBMC.com** or 1-800-342-8017.

Whose expenses are eligible?

Your Medical FRA may be used to reimburse eligible expenses incurred by:

- yourself
- your spouse
- your qualifying child or
- your qualifying relative.

An individual is a qualifying child if they are not someone else's qualifying child and:

- are a U.S. citizen, national or a resident of the U.S., Mexico or Canada
- have a specified family-type relationship to you
- live in your household for more than half of the taxable year
- are 18 years old or younger (23 years, if a full-time student) at the end of the taxable year and
- have not provided more than one-half of their own support during the taxable year.

An individual is a qualifying relative if they are a U.S. citizen, national or a resident of the U.S., Mexico or Canada and:

- have a specified family-type relationship to you, are not someone else's qualifying child and receive more than one-half of their support from you during the taxable year **or**
- if no specified family-type relationship to you exists, are a member of and live in your household (without violating local law) for the entire taxable year and receive more than one-half of their support from you during the taxable year.

Note: There is no age requirement for a qualifying child if they are physically and/or mentally incapable of self care. An eligible child of divorced parents is treated as a dependent of both, so either or both parents can establish a Medical FRA.

When are my funds available?

Once you decide how much to contribute and sign up for a Medical FRA, the maximum annual amount of reimbursement for eligible health care expenses will be available throughout your period of coverage.

Since you don't have to wait for the cash to accumulate in your account, you can use it to pay for your eligible health care expenses at the start of your deductions.

Are prescriptions eligible for reimbursement?

Yes, most filled prescriptions are eligible for Medical FRA reimbursement, as long as you properly substantiate the expense. Proper submission of the reimbursement request is needed to ensure that the drug is eligible for reimbursement. The IRS requires the complete name of all medicines and drugs be obtained and documented on pharmacy invoices (including prescription number, date(s) of service and total dollar amount). This information must be included when submitting your request to FBMC for reimbursement.

Over-the-Counter Expenses

Your Over-the-Counter (OTC) items, medicines and drugs may be reimbursable through your Medical FRA. Save valuable tax dollars on certain categories of OTC items, medicines and drugs, such as: allergy treatments, antacids, cold remedies, first-aid supplies and pain relievers. For a more comprehensive list of eligible OTC items, please visit **www.myFBMC.com**.

You may be reimbursed for OTCs through your Medical FRA if:

- the item, medicine or drug was used for a specific medical condition for you, your spouse and/or your dependent(s)
- the submitted receipt clearly states the purchase date and name of the item, medicine or drug
- the reimbursement request is for an expense allowed by your employer's Medical FRA plan and IRS regulations and
- you submit your reimbursement request in a timely and complete manner already described in your benefits enrollment information.

Note: OTC items, medicines and drugs, including bulk purchases, must be used in the same plan year in which you claim reimbursement for their cost. The list of eligible OTC categories will be updated on a quarterly basis by FBMC. It is your responsibility to remain informed of updates to this listing, which can be found at **www.myFBMC.com**. As soon as an OTC item, medicine or drug becomes eligible under any of the categories, it will be reimbursable retroactively to the start of the then current plan year.

Newly eligible OTC items, medicines and drugs are not considered a valid change in status event that would allow you to change your annual Medical FRA election or salary reduction amount. Be sure to maintain sufficient documentation to submit receipts for reimbursement. You may resubmit a copy of your receipt from your records if a rejected OTC expense becomes eligible for reimbursement later in the same plan year.

Visit www.myFBMC.com for a list of frequently asked questions.

You must keep your documentation for a minimum of one year and submit to FBMC upon request.

Medical FRA
Continued

Can travel expenses for medical care be reimbursed?
Travel expenses primarily for, and essential to, receiving medical care, including health care provider and pharmacy visits, may be reimbursable through your Medical FRA. With proper substantiation, eligible expenses can include:

- actual round-trip mileage
- parking fees
- tolls and
- transportation to another city.

For current mileage information, please visit **www.myFBMC.com**.

Is orthodontic treatment reimbursable?
Orthodontic treatment designed to treat a specific medical condition is reimbursable through your Medical FRA if the proper documentation is provided:

- a written statement, bill or invoice from the treating dentist/orthodontist showing the type and date the service was incurred, the name of the eligible individual receiving the service, the cost for the service and
- a copy of the patient's contract with the dentist/orthodontist for the orthodontia treatment (only required if a participant requests reimbursement for the total program cost spread over a period of time).

Reimbursement of the full or initial payment amount may only occur during the plan year in which the braces are first installed. For reimbursement options available under your employer's plan, including care that extends beyond one or more plan years, refer to the information provided following your enrollment, or call FBMC Customer Service at 1-800-342-8017.

Should I claim my expenses on IRS Form 1040?
With a Medical FRA, the money you set aside for health care expenses is deducted from your salary before taxes. It is always tax-free, regardless of the amount. By enrolling in a Medical FRA, you guarantee your savings.

Itemizing your health care expenses on your IRS Form 1040 may give you a different tax advantage, depending on the percentage of your adjusted gross income. You should consult a tax professional to determine which avenue is right for you.

Are some expenses ineligible?
Expenses not eligible for reimbursement through your Medical FRA include:

- insurance premiums
- vision warranties and service contracts and
- cosmetic surgery not deemed medically necessary to alleviate, mitigate or prevent a medical condition.

When do I request reimbursement?
You may use your Medical FRA to reimburse eligible expenses after you have sought (and exhausted) all means of reimbursement provided by your employer and any other appropriate resource. Also keep in mind that some eligible expenses are reimbursable on the date available, not the date ordered.

How do I request reimbursement?
Requesting reimbursement from your Medical FRA is easy. Simply mail or fax a correctly completed FRA Reimbursement Request Form along with the following:

- an invoice or bill from your health care provider listing the date you received the service, the cost of the service, the specific type of service and the person for whom the service was provided and
- an Explanation of Benefits (EOB)* from your health insurance provider that shows the specific type of service you received, the date and cost of the service and any uninsured portion of the cost or
- a written statement from your health care provider indicating the service was medically necessary if those services could be deemed cosmetic in nature, accompanied by the invoice or bill for the service.

Please note that cancelled checks or credit card receipts (or copies) listing the cost of eligible expenses are not valid documentation for Medical FRA reimbursement.

Mail to: Contract Administrator
Fringe Benefits Management Company
P.O. Box 1800
Tallahassee, FL 32302-1800
Fax to: 850-425-4608
Toll Free: 888-800-5217

* EOBs are not required if your coverage is through a HMO.

Partial List of Medically Necessary Eligible Expenses*
Acupuncture
Ambulance service
Birth control pills and devices
Chiropractic care
Contact lenses (corrective)
Dental fees
Diagnostic tests/health screening
Doctor fees
Drug addiction/alcoholism treatment
Drugs
Experimental medical treatment
Eyeglasses
Guide dogs
Hearing aids and exams
In vitro fertilization
Injections and vaccinations
Nursing services
Optometrist fees
Orthodontic treatment
Over-the-Counter items
Prescription drugs to alleviate nicotine withdrawal symptoms
Smoking cessation programs/treatments
Surgery
Transportation for medical care
Weight-loss programs/meetings
Wheelchairs
X-rays

Note: Budget conservatively. No reimbursement or refund of Medical FRA funds is available for services that do not occur within your plan year.

* IRS-qualified expenses are subject to federal regulatory change at any time during a tax year. Certain other substantiation requirements and restrictions may apply, and will be supplied to you following enrollment.

EZ REIMBURSE® MasterCard® Card

The EZ REIMBURSE® MasterCard® Card is issued by MetaBank.

What is the EZ REIMBURSE® MasterCard® Card?

The EZ REIMBURSE® Card is a stored-value card. It is a convenient Medical FRA reimbursement option that allows FBMC to electronically reimburse eligible expenses under your employer's plan and IRS guidelines. Your annual Medical FRA contribution is available to you at the beginning of your plan year. When you use your EZ REIMBURSE® Card to pay for eligible expenses, funds are electronically deducted from your Medical FRA.

Note: You **cannot** use your EZ REIMBURSE® Card for cosmetic dental expenses or eye glass warranties.

How do I get an EZ REIMBURSE® Card?

You must elect to receive an EZ REIMBURSE® Card by completing the enrollment form included in the card brochure during Open Enrollment. You may also request a card when you enroll in a Medical FRA due to a qualifying mid-year event. Two cards will be sent to you in the mail; one for you, and one for your spouse or eligible dependent. You should keep your cards to use each plan year until their expiration date.

What does it cost to use the EZ REIMBURSE® Card?

There is a $20 non-refundable, annual fee for using the card. This amount is automatically deducted from your Medical Spending Account. When you budget for your FRA deductions, you may want to consider the fee in your calculations.

How do I use my EZ REIMBURSE® Card?

For eligible expenses, simply swipe your EZ REIMBURSE® Card like you would with any other credit card. The amount of your eligible expenses will be automatically deducted from your Medical FRA. You will receive instant reimbursement for known health care expenses such as prescriptions and co-payments. Transactions for eligible expenses at Walgreens, Wal-Mart and Sam's Club do not require further documentation.

When do I send in documentation for an EZ REIMBURSE® Card expense?

You must send in documentation for certain EZ REIMBURSE® Card transactions, such as those that are **not** a known office visit or prescription co-payment (as outlined in your health plan's Schedule of Benefits). When requested, you must send in documentation for these transactions. Documentation for an EZ REIMBURSE® Card expense is a statement, bill or Explanation of Benefits showing:

- name of the patient
- name of the service provider
- date of service
- type of service (including prescription name) and
- total amount of service.

Note: This documentation must be sent with an ***EZ REIMBURSE® Card Transmittal Sheet*** and cannot be processed without it. Like all other FRA documentation, you must keep your EZ REIMBURSE® Card expense documentation for a minimum of one year, and submit it to FBMC when requested.

As an FRA participant, you should go to **www.myFBMC.com** to see your account information and check for any outstanding Card transactions. If an outstanding transaction appears on the Web site in red or in blue in the **Outstanding Transaction** section of your monthly statement you must submit the proper expense documentation to FBMC prior to the end of your 90-day run out period. **If an outstanding transaction appears in blue on two subsequent statements, your card will be suspended.**

If you fail to send in the requested documentation for an EZ REIMBURSE® Card expense, you will be subject to:

- withholding of payment for an eligible paper claim to offset any outstanding EZ REIMBURSE® Card transaction
- suspension of your EZ REIMBURSE® Card privileges
- the reporting of any outstanding EZ REIMBURSE® Card transaction amounts as income on your W-2 at the end of the tax year.

What agreement am I making when I use the EZ REIMBURSE® Card?

By using the EZ REIMBURSE® Card, you are agreeing to the "FRA Guidelines" portion of this sourcebook (on page 6), as well as the Cardholder Agreement you will receive when your card arrives in the mail.

Dependent Care FRA

Minimum Election: **$10 per pay period**
Maximum Election: **Up to $5,000 annually depending on your tax filing status as the list at right indicates.**

What is a Dependent Care FRA?

A Dependent Care FRA is an IRS tax-favored account you can use to pay for your eligible dependent care expenses to ensure your dependents (child or elder) are taken care of while you and your spouse (if married) are working. These funds are set aside from your salary before taxes are deducted, allowing you to pay your eligible expenses tax-free. A partial list of these eligible expenses can be found on this page. If you have questions regarding the eligibility of an expense, please contact FBMC at **www.myFBMC.com** or 1-800-342-8017.

Whose expenses are eligible?

You may use your Dependent Care FRA to receive reimbursement for eligible dependent care expenses for qualifying individuals.

A qualifying individual includes a qualifying child, if they:

- are a U.S. citizen, national or a resident of the U.S., Mexico or Canada
- have a specified family-type relationship to you
- live in your household for more than half of the taxable year
- are 12 years old or younger and
- have not provided more than one-half of their own support during the taxable year.

A qualifying individual includes your spouse, if they:

- are physically and/or mentally incapable of self care
- live in your household for more than half of the taxable year and
- spend at least eight hours per day in your home.

A qualifying individual includes your qualifying relative, if they:

- are a U.S. citizen, national or a resident of the U.S., Mexico or Canada
- are physically and/or mentally incapable of self care
- are not someone else's qualifying child
- live in your household for more than half of the taxable year
- spend at least eight hours per day in your home and
- receive more than one-half of their support from you during the taxable year.

Note: Only the custodial parent of divorced or legally-separated parents can be reimbursed using the Dependent Care FRA.

What is my maximum annual election?

The maximum amount you can set for the Dependent Care FRA is determined by the IRS and is based on a calendar year (January through December) for tax purposes and your tax filing status as outlined below.

- If you are married and filing separately, your maximum annual deposit is $2,500.
- If you are single and head of household, your maximum annual deposit is $5,000.
- If you are married and filing jointly, your maximum annual deposit is $5,000.
- If either you or your spouse earn less than $5,000 a year, your maximum annual deposit is equal to the lower of the two incomes.
- If your spouse is a full-time student or incapable of self-care, your maximum annual deposit is $3,000 a year for one dependent and $5,000 a year for two or more dependents.

When are my funds available?

Once you decide how much to contribute and sign up for a Dependent Care FRA, the funds available to you depend on the actual funds in your account. Unlike a Medical FRA, the entire maximum annual election is not available during the plan year, but rather after your payroll deductions are received.

Should I claim tax credits or exclusions?

Since money set aside in your Dependent Care FRA is always tax free, you are guaranteed savings by paying for your eligible expenses through your IRS tax-favored account. Depending on the amount of income taxes you are required to pay, participation in a Dependent Care FRA may produce a greater tax benefit than claiming tax credits or exclusions alone.

Remember, you cannot use the dependent care tax credit if you are married and filing separately. Further, any dependent care expenses reimbursed through your Dependent Care FRA cannot be filed for the dependent care tax credit, and vice versa.

Partial List of Eligible Expenses*
After school care
Baby-sitting fees
Daycare services
In-home care/au pair services
Nursery and preschool
Summer day camps

Note: Budget conservatively. No reimbursement or refund of Dependent Care FRA funds is available for services that do not occur within your plan year.

* IRS-qualified expenses are subject to federal regulatory change at any time during a tax year. Certain other substantiation requirements and restrictions may apply, and will be supplied to you following enrollment.

Dependent Care FRA
Continued

To help you choose between the available taxable and tax-free benefits, or a combination of both, consult your tax advisor and/or the IRS for additional information. You may also visit **www.myFBMC.com** to complete a Tax Savings Analysis.

Are some expenses ineligible?

Expenses not eligible for reimbursement through your Dependent Care FRA include:

- books and supplies
- child support payments or child care if you are a non-custodial parent
- health care or educational tuition costs and
- services provided by your dependent, your spouse's dependent or your child who is under age 19.

When do I request reimbursement?

You can request reimbursement from your Dependent Care FRA as often as you like. However, your approved expense will not be reimbursed until the last date of service for which you are requesting reimbursement has passed. Also, remember that for timely processing of your reimbursement, your payroll contributions must be current.

How do I request reimbursement?

Requesting reimbursement from your Dependent Care FRA is easy. Simply mail or fax a correctly completed FRA Reimbursement Request Form along with documentation showing the following:

- the name, age and grade of the dependent receiving the service
- the cost of the service
- the name and address of the provider and
- the beginning and ending dates of the service.

Be certain you obtain and submit the above information when requesting reimbursement from your Dependent Care FRA. This information is required with each request for reimbursement. Cancelled checks or credit card receipts (or copies) listing the cost of eligible expenses are not valid documentation for Dependent Care FRA reimbursement.

Mail to: Contract Administrator
Fringe Benefits Management Company
P.O. Box 1800
Tallahassee, FL 32302-1800
Fax to: 850-425-4608
Toll Free: 888-800-5217

Note: If you elect to participate in the Dependent Care FRA, or if you file for the Dependent Care Tax Credit, you must attach IRS Form 2441, reflecting the information above, to your 1040 income tax return. Failure to do this may result in the IRS denying your pre-tax exclusion.

Will I need to keep any additional documentation?

To claim the income exclusion for dependent care expenses on IRS Form 2441 (Child and Dependent Care Expenses), you must be able to identify your dependent care provider. If your dependent care is provided by an individual, you will need their Social Security number for identification, unless he or she is a resident or non-resident alien who does not have a Social Security number. If your dependent care is provided by an establishment, you will need its Taxpayer Identification number.

If you are unable to obtain a dependent care provider's information, you must compose a written statement that explains the circumstances and states that you made a serious and earnest effort to get the information. This statement must accompany your IRS Form 2441.

Be certain you obtain and submit all needed information when requesting reimbursement from your Dependent Care FRA. This information is required with each request for reimbursement.

A properly completed request will help speed along the process of your reimbursement, allowing you to receive your check or Direct Deposit promptly.

FRA Worksheets

To figure out how much to deposit in your FRA, refer to the following worksheets. Calculate the amount you expect to pay during the plan year for eligible, uninsured out-of-pocket medical and/or dependent care expenses. This calculated amount (including administrative fees) cannot exceed established IRS and plan limits. (Refer to the individual FRA descriptions in this sourcebook for limits.)

Be conservative in your estimates, since any money remaining in your accounts cannot be returned to you or carried forward to the next plan year.

MEDICAL FRA WORKSHEET

Estimate your eligible, uninsured out-of-pocket medical expenses for the plan year.

UNINSURED MEDICAL EXPENSES

Health insurance deductibles	$ _____
Coinsurance or co-payments	$ _____
Vision care	$ _____
Dental care	$ _____
Prescription drugs	$ _____
Travel costs for medical care	$ _____
Other eligible expenses	$ _____
EZ REIMBURSE® MasterCard® Card annual, non-refundable fee ($20.00)	$ _____
TOTAL	$ _____
DIVIDE by the number of paychecks you will receive during the plan year.*	÷ _____
This is your pay period contribution (whole dollar amounts only).	$ _____

* If you enroll after the plan year begins, divide by the number of pay periods remaining in the plan year based on the account's effective date.

DEPENDENT CARE FRA WORKSHEET

Estimate your eligible dependent care expenses for the plan year. Remember that your calculated amount cannot exceed the calendar year limits established by the IRS.

CHILD CARE EXPENSES

Daycare services	$ _____
In-home care/au pair services	$ _____
Nursery and preschool	$ _____
After school care	$ _____
Summer day camps	$ _____

ELDER CARE SERVICES

Day care center	$ _____
In-home care	$ _____
TOTAL Remember, your total contribution cannot exceed IRS limits for the plan year and calendar year.	$ _____
DIVIDE by the number of paychecks you will receive during the plan year.*	÷ _____
This is your pay period contribution (whole dollar amounts only).	$ _____

* If you enroll after the plan year begins, divide by the number of pay periods remaining in the plan year based on the account's effective date.

At your request, your FRA reimbursement checks may be deposited into your checking or savings account by enrolling in Direct Deposit.

Getting Answers

Getting answers to many of your benefit questions is now easier than ever. FBMC Customer Service offers you a variety of resources to make inquiries on your Flexible Reimbursement Account, including information from the FBMC Web site, Interactive Voice Response system or Customer Service.

FBMC Web Site

FBMC's Web site provides information regarding your benefits and comprehensive details on your FRAs.

By entering **www.myFBMC.com** into your Internet browser, you will open FBMC's home page. Answers to many of your benefit questions can be obtained by using the navigational tabs located along the top portion of the home page. You'll be prompted to enter your Social Security number (SSN) and Personal Identification Number (PIN). After this login, you can access the following benefit information.

Benefits

You may check your benefit status, read benefit descriptions and much more.

Claims

Not only can you check the status of your claim, but you may also download forms, get more information about mailing and faxing your claim to FBMC or see transactions that need documentation.

Accounts

View your account balance and contributions. You may also view monthly statements and review your transaction history.

EZ REIMBURSE® MasterCard® Card

You may download a card fact sheet or transmittal form, read detailed instructions on proper use and view our drugstore listings to maximize card convenience.

Profile

Change the e-mail address we have on file, complete your online registration or select a new PIN.

Resources

Peruse our extensive resource library, including benefit materials, surveys, Over-the-Counter drug listings and benefit tips.

Forms

Download applicable forms for claim submission and reimbursement.

FBMC Interactive Benefits

FBMC's 24-hour automated phone system, Interactive Voice Response (IVR), can be reached by calling 1-800-865-FBMC (3262). This system allows you to access your benefits any time. By following the voice prompts, you can find out a great deal of information about your benefits.

- Current Account Balance(s)
- Claim Status
- Mailing Address Verification
- Obtain FRA Reimbursement Request Claim Forms
- Change Your PIN

Personal Identification Number (PIN)

To access both the FBMC Web site and the Interactive Voice Response (IVR) system, all you need is your Social Security number (SSN). The last four digits of your SSN will be your first PIN, whether using the Web site or the IVR system. After your initial login, you will be asked to register and select your own confidential PIN to access both systems in the future. Your new PIN cannot be the last four digits of your SSN, cannot be longer than eight digits and must be greater than zero.

Record PIN here.
Remember, this will be your PIN for both Web and IVR access.

If you forget your PIN, click the "Need Help?" link for help or you may call Customer Service at **1-800-342-8017**.

Note: Please be sure to keep this Reference Guide in a safe, convenient place, and refer to it for benefit information.

Changing Your Coverage

Am I permitted to make mid-plan year election changes?

You can change your Flexible Reimbersement Account (FRA) election(s), or vary the salary reduction amounts you have selected during the plan year, only under limited circumstances as provided by your employer's plan(s) and established IRS guidelines. Partial lists of permitted qualifying events under your employer's plan(s) appear on the following page. Additional information on permitted changes can be found on the DHRM Web site. Election changes must be consistent with the event. Your employer will in its sole discretion, review on a uniform and consistent basis, the facts and circumstances of each properly completed and timely submitted mid-plan year election change form.

To Make a Change: Within 31 days of an event that is consistent with one of the events on the following page, you must complete and submit an Election Form to your Benefits Administrator. Documentation supporting your election change request is required. Upon the approval and completion of processing your election change request, your existing FRA(s) elections will be stopped or modified (as appropriate). Generally, mid-plan year, pre-tax election changes can only be made prospectively, no earlier than the first of the month after your election change request has been received by your employer.

What is my Period of Coverage?

Your period of coverage for incurring expenses is based on your participation in the program. If you make a permitted mid-plan year election change it may affect your period of coverage. For a Medical FRA, a mid-plan year election change will result in split periods of coverage, creating more than one period of coverage within a plan year with expenses reimbursed from the appropriate period of coverage. Money from a previous period of coverage can be combined with amounts after a permitted mid-plan year election change. However, expenses incurred before the permitted election change can only be reimbursed from the amount of the balance present in the Medical FRA prior to the change.

Mid-plan year election changes are approved only if the extenuating circumstances and supporting documentation are within your employer's Medical FRA plan and the IRS regulations governing the plan.

Split periods of coverage do not apply to Dependent Care FRAs.

What are the IRS Special Consistency Rules governing Changes in Status?

1. **Loss of Dependent Eligibility**– If a change in your marital or employment status involves a decrease or cessation of your spouse's or dependent's eligibility requirements for coverage due to: your divorce, your spouse's or dependent's death or a dependent ceasing to satisfy eligibility requirements, you may decrease or cancel coverage only for the individual involved. You cannot decrease or cancel any other individual's coverage under these circumstances.
2. **Gain Coverage Eligibility Under Another Employer's Plan**– If you, your spouse or your dependent gains eligibility for coverage under another employer's plan as a result of a change in marital or employment status, you may cease or decrease that individual's coverage if that individual gains coverage, or has coverage increased under the other employer's plan.
3. **Dependent Care Expenses**– You may change or terminate your Dependent Care FRA election when a Change in Status (CIS) event affects (i) eligibility for coverage under an employer's plan, or (ii) eligibility of dependent care expenses for the tax exclusion available under IRC § 129.

Changing Your Coverage
Continued

Changes in Status (CIS):

Marital Status	A change in marital status includes marriage, death of a spouse, divorce or annulment.
Change in Number of Tax Dependents	A change in number of dependents includes the following: birth, death, adoption and placement for adoption. You can add existing dependents not previously enrolled whenever a dependent gains eligibility as a result of a valid CIS event.
Change in Status of Employment Affecting Coverage Eligibility	Change in employment status of the employee, or a spouse or dependent of the employee, that affects the individual's eligibility under an employer's plan includes commencement or termination of employment.
Gain or Loss of Dependents' Eligibility Status	An event that causes an employee's dependent to satisfy or cease to satisfy coverage requirements under an employer's plan may include change in age, student, marital, employment or tax dependent status.
Change in Residence*	A change in the place of residence of the employee, spouse or dependent that affects eligibility to be covered under an employer's plan includes moving out of an HMO service area.

Some Other Permitted Changes:

Coverage and Cost Changes*	Your employer's plans may permit election changes due to cost or coverage changes. You may make a corresponding election change to your Dependent Care FRA benefit whenever you actually switch dependent care providers. However, if a relative (who is related by blood or marriage) provides custodial care for your eligible dependent, you cannot change your salary reduction amount solely on a desire to increase or decrease the amount being paid to that relative.
Open Enrollment Under Other Employer's Plan*	You may make an election change when your spouse or dependent makes an Open Enrollment Change in coverage under their employer's plan if they participate in their employer's plan and: • the other employer's plan has a different period of coverage (usually a plan year) or • the other employer's plan permits mid-plan year election changes under this event.
Judgment/Decree/Order†	If a judgment, decree or order from a divorce, legal separation (if recognized by state law), annulment or change in legal custody requires that you provide accident or health coverage for your dependent child (including a foster child who is your dependent), you may change your election to provide coverage for the dependent child. If the order requires that another individual (including your spouse and former spouse) covers the dependent child and provides coverage under that individual's plan, you may change your election to revoke coverage only for that dependent child and only if the other individual actually provides the coverage.
Medicare/Medicaid†	Gain or loss of Medicare/Medicaid coverage may trigger a permitted election change.
Health Insurance Portability and Accountability Act of 1996 (HIPAA)	If your employer's group health plan(s) are subject to HIPAA's special enrollment provision, the IRS regulations regarding HIPAA's special enrollment rights provide that an IRC § 125 cafeteria plan may permit you to change a salary reduction election to pay for the extra cost for group health coverage, on a pre-tax basis, effective retroactive to the date of the CIS event, if you enroll your new dependent within 30 days of one of the following CIS events: birth, adoption or placement for adoption. Note that a Medical FRA is not subject to HIPAA's special enrollment provisions if it is funded solely by employee contributions.
Family and Medical Leave Act (FMLA) Leave of Absence	Election changes may be made under the special rules relating to changes in elections by employees taking FMLA leave. Contact your employer for additional information.

* Does not apply to a Medical FRA plan.

† Does not apply to a Dependent Care FRA plan.

Extended Coverage

IMPORTANT INFORMATION ABOUT YOUR EXTENDED COVERAGE RIGHTS

What is continuation coverage?

According to federal and state law in the case of group health plans (including a Medical FRA Plan), if you are a covered employee who has lost group health plan coverage due to a triggering event governed by the Public Health Service Act (PHSA), you (as a participating employee), your spouse and dependents are each entitled to continue, as a qualified beneficiary, the group health plans (and Medical FRA coverage with the level of coverage and elected annual limit reduced by reimbursable expenses) that were in effect at the time of the qualifying event. Contact your agency's Benefits Administrator to apply for Extended Coverage of your health insurance and/or Medical FRA. To the extent that Extended Coverage applies, you will be referred by your agency's Benefits Administrator to contact the Contract Administrator, Fringe Benefits Management Company (FBMC), P.O. Box 1878, Tallahassee, FL 32302-1878, at 1-800-342-8017, to apply for continuation, on an after-tax basis, of your Medical FRA.

Continuation coverage is the same coverage that the Plan gives to other participants or beneficiaries under the Plan who are not receiving continuation coverage. Each qualified beneficiary who elects continuation coverage will have the same rights under the Plan as other participants or beneficiaries covered under the Plan, including special enrollment rights. Specific information describing continuation coverage can be found in the Commonwealth of Virginia's Plan Document, which can be obtained from your employer.

How long will continuation coverage last?

If you fund your Medical FRA entirely, you may continue your Medical FRA (on a post-tax basis) only for the remainder of the plan year in which your qualifying event occurs, if you have not already received, as reimbursement, the maximum benefit available under the Medical FRA for the year. For example, if you elected a maximum Medical FRA benefit of $1,000 for the plan year and have received only $200 in reimbursement, you may continue your Medical FRA for the remainder of the plan year or until such time that you receive the maximum Medical FRA benefit of $1,000.

Continuation coverage will be terminated before the end of the maximum period if any required premium is not paid on time.

How much does continuation coverage cost?

Generally, each qualified beneficiary may be required to pay the entire cost of continuation coverage. For Medical FRAs, the cost for continuation of coverage is a monthly amount calculated and based on the amount you were paying via pre-tax salary reductions before the qualifying event. Administrative fees may apply.

When and how must payment for continuation coverage be made?

First payment for continuation coverage

If you elect continuation coverage, you do not have to send any payment for continuation coverage with the COBRA Election Form. However, you must make your first payment for continuation coverage within 45 days after the date of your election. (This is the date the Election Notice is post-marked, if mailed.) If you do not make your first payment for continuation coverage within that 45 days, you will lose all continuation coverage rights under the Plan.

Your first payment must cover the cost of continuation coverage from the time your coverage under the Plan would have otherwise terminated up to the time you make the first payment. You are responsible for making sure that the amount of your first payment is enough to cover this entire period. You may contact FBMC to confirm the correct amount of your first payment.

Periodic Payments for Continuation Coverage:

After you make your first payment for continuation coverage, you will be required to pay for continuation coverage for each subsequent month of coverage. Under the Plan, these periodic payments for continuation coverage are due on the first day of each month. If you make a periodic payment on or before its due date, your coverage under the Plan will continue for that coverage period without any break.

Grace Periods for Periodic Payments:

Although periodic payments are due on the dates shown above, you will be given a grace period of 30 days to make each periodic payment. Your continuation coverage will be provided for each coverage period as long as payment for that coverage period is made before the end of the grace period for that payment. If you pay a periodic payment later than its due date but during its grace period, your coverage under the Plan will be suspended as of the due date and then retroactively reinstated (going back to the due date) when the periodic payment is made. This means that any claim you submit for benefits while your coverage is suspended may be denied and may have to be resubmitted once your coverage is reinstated.

If you fail to make a periodic payment before the end of the grace period for that payment, you will lose all rights to continuation coverage under the Plan.

For More Information

This section does not fully describe continuation coverage or other rights under the Plan. More information about continuation coverage and your rights under the Plan is available in your summary plan description or from your employer. You can get a copy of your plan document from: the Commonwealth of Virginia – Department of Human Resource Management Web site.

Keep Your Address Updated

In order to protect your family's rights, you should keep your employer informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to FBMC.

Beyond Your Benefits

FBMC Privacy Notice 4/14/03

This notice applies to products administered by Fringe Benefits Management Company and its wholly-owned subsidiaries (collectively "FBMC"). FBMC takes your privacy very seriously. As a provider of products and services that involve compiling personal—and sometimes, sensitive—information, protecting the confidentiality of that information has been, and will continue to be, a top priority of FBMC. This notice explains how FBMC handles and protects the personal information we collect. Please note that the information we collect and the extent to which we use it will vary depending on the product or service involved. In many cases, we may not collect all of the types of information noted below. FBMC's privacy policy is as follows:

I. We collect only the customer information necessary to consistently deliver responsive services. FBMC collects information that helps serve your needs, provide high standards of customer service and fulfill legal and regulatory requirements. The sources and types of information collected generally varies depending on the products or services you request and may include:
   - Information provided on enrollment and related forms - for example, name, age, address, Social Security number, e-mail address, annual income, health history, marital status and spousal and beneficiary information.
   - Responses from you and others such as information relating to your employment and insurance coverage.
   - Information about your relationships with us, such as products and services purchased, transaction history, claims history and premiums.
   - Information from hospitals, doctors, laboratories and other companies about your health condition, used to process claims and prevent fraud.

II. Under HIPAA, you have certain rights with respect to your protected health information. You have rights to see and copy the information, receive an accounting of certain disclosures of the information and, under certain circumstances, amend the information. You also have the right to file a complaint with the Plan in care of the Office of Health Benefits' (OHB) Program Privacy Officer or with the Secretary of the U.S. Department of Health and Human Services if you believe your rights under HIPAA have been violated.

   Additional information that describes how medical information about you may be used and disclosed and how you can get access to this information is provided electronically on our Web site: **www.dhrm.virginia.gov**. You have a right to a paper copy at any time. Contact your agency's benefits administrator.

III. We maintain safeguards to ensure information security. We are committed to preventing unauthorized access to personal information. We maintain physical, electronic and procedural safeguards for protecting personal information. We restrict access to personal information to those employees, insurance companies and service providers who need to know that information to provide products or services to you. Any employee who violates our Privacy Policy is subject to disciplinary action.

IV. We limit how, and with whom, we share customer information. We do not sell lists of our customers, and under no circumstances do we share personal health information for marketing purposes. With the following exceptions, we will not disclose your personal information without your written authorization. We may share your personal information with insurance companies with whom you are applying for coverage, or to whom you are submitting a claim. We also may disclose personal information as permitted or required by law or regulation. For example, we may disclose information to comply with an inquiry by a government agency or regulator, in response to a subpoena or to prevent fraud.

If you no longer have a customer relationship with us, we will still treat your information under our Privacy Policy, but we will no longer send notices to you. In this notice of our Privacy Policy, the words "you" and "customer" are used to mean any individual who obtains or has obtained an insurance, financial product or service from FBMC that is to be used primarily for personal or family purposes.

Social Security

Social Security consists of two tax components: the FICA or OASDI component (the tax for old-age, survivors' and disability insurance) and the Medicare component. A separate maximum wage to which the tax is assessed applies to both tax components. There is no maximum taxable annual wage for Medicare. The maximum taxable annual wage for FICA is subject to federal regulatory change. If your annual salary after salary reduction is below the maximum wage cap for FICA, you are reducing the amount of taxes you pay and your Social Security benefits may be reduced at retirement time.

However, the tax savings realized through the Flexible Benefits Plan generally outweigh the Social Security reduction. Call FBMC Customer Service at 1-800-342-8017 for an approximation.

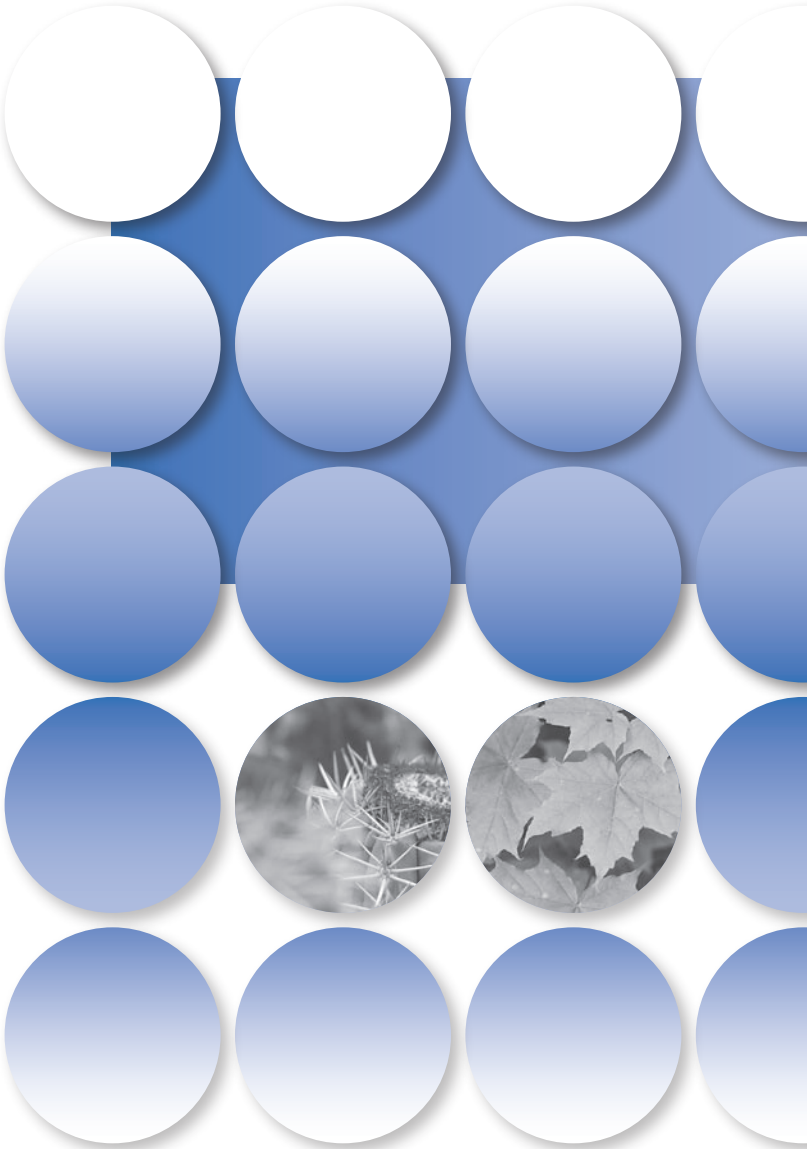
Notice of Administrator's Capacity

PLEASE READ: This notice advises Flexible Reimbursement Account participants of the identity and relationship between your employer and its Contract Administrator, Fringe Benefits Management Company (FBMC). FBMC is not an insurance company. FBMC has been authorized by your employer to provide administrative services for the Flexible Reimbursement Account plans offered herein. FBMC will process claims for reimbursement promptly. In the event there are delays in claims processing, you will have no greater rights in interest or other remedies against FBMC than would otherwise be afforded to you by law.

Disclaimer - Health Insurance Benefits Provided Under Health Insurance Plan(s)

Health Insurance benefits will be provided not by your Employer's Flexible Benefits Plan, but by the Health Insurance Plan(s). The types and amounts of health insurance benefits available under the Health Insurance Plan(s), the requirements for participating in the Health Insurance Plan(s) and the other terms and conditions of coverage and benefits of the Health Insurance Plan(s) are set forth from time to time in the Health Insurance Plan(s). All claims to receive benefits under the Health Insurance Plan(s) shall be subject to and governed by the terms and conditions of the Health Insurance Plan(s) and the rules, regulations, policies and procedures from time to time adopted.

Notes



FBMC

proven benefit solutions

Contract Administrator
Fringe Benefits Management Company
P.O. Box 1878 • Tallahassee, Florida 32302-1878
Customer Service 1-800-342-8017 • 1-800-955-8771 (TDD)
www.myFBMC.com

Information contained herein does not constitute an insurance certificate or policy. Certificates will be provided to participants following the start of the plan year, if applicable.

FBMC/VIR/0307 D12348 (06/07)